December 21, 1999

MEMORANDUM

TO: Marty Orlowsky, Ron Milstein, and Michael Shannon

FR: Shandwick Public Affairs

RE: New York State Issue Advertising

Per our conversation yesterday the Shandwick Public Affairs, Lorillard team has prepared a budget outlining our involvement over the next several days concerning the excise tax issue in New York State.

Our estimates for placement and staff time are included below and we will present two conceptual approaches as options for radio and print advertising to you later today.

We envision a concentrated effort, which started Monday and will continue through Thursday this week. Our total staff hours are estimated to be approximately, \$38,000 over this four-day period. This amount will be in addition to our work on the broader campaign for next year.

The media buy is presented on the following spreadsheets. Our anticipated radio buy is \$169,380 and the print placement is \$607,409 for a total media buy of \$776,789. As instructed we have focused the buy on Long Island, Albany and the upstate New York areas. We can further adjust these markets after you have reviewed the plan.

Thanks and we look forward to hearing back from you later today or tomorrow.

Tetel = \$15,000

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